APPENDIX E

Mode of Entry Bill Credit Mechanism

The following are the steps that will be undertaken to determine whether Bill Credits are due to any CLECs for the MOE categories.

1.   For each MOE measure with a "parity" standard: Calculate Z or t score or perform permutation test (for small samples).[1]

2.   Convert Z, t or permutation equivalent score to performance score pursuant to the following table:

Statistical Score	Performance Score
$\pounds$-1.645	-2
< -0.8225 and > -1.645	-1
> -0.8225	0^2

3.   For each MOE measure with an absolute standard: Determine Performance Score using performance range for the applicable measure. For small sample sizes, the small sample size table for measures with absolute standards is used. (*See* Appendix C.)

4.   If the Aggregate Total Performance Score for a MOE is greater than the minimum value allowable for the applicable MOE (*See* Minimum and Maximum Bill Credit Tables in Appendix A), no bill credits are due to the CLECs that received the particular MOE services in that month. If the value is equal to or less than a minimum value, CLECs will be paid Bill

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[1]   When "no activity occurs" in a metric the performance measure and its weight will be excluded from performance score.

[2]   For report rate measures – regardless of z or t score – if absolute difference is less than 0.1%, the performance score is a 0.

Credits pursuant to the Bill Credit Tables in Appendix A, which will be adjusted to reflect the monthly volumes or units being used by the CLECs.[3]

5.   The MOE Bill Credit Table reflects (1) the range of the aggregate performance scores from the minimum to maximum, (2) the monthly dollars attributable to each score, (3) the aggregate CLEC monthly volumes for the measure, and (4) the corresponding monthly rate what will be paid to each CLEC if Verizon-MA's performance is at that particular level.   The individual CLEC's Bill Credit will be determined by multiplying the CLEC's monthly units in service by the applicable rate for the Aggregate MOE score.

6.   For example, assume the first two steps of the UNE Bill Credit Table were as follow:

Score	Mon. $	Mon. Vol.	Mon. Rate
-0.260	$585,474	100,000	$5.85
-0.300	$758,947	100,000	$7.58

Using the above Credit Table, if the Aggregate MOE score was -0.300 and a CLEC had 5,000 UNE lines (at the end of the month), it would entitled to a $26,700 Bill Credit ($7.58 X 5,000 = $37,900).

8.   The Domain Clustering Rule

The Mode of Entry measures are classified into four key domains: Pre-Order, Ordering, Provisioning and Maintenance. To ensure that competition is not negatively influenced by poor performance on measures in any one of these domains, a Domain Clustering Rule has been established under this Plan. The rule, which applies only to the UNE and Resale MOEs, enables the entire mode of entry performance score to be modified if Verizon-MA's aggregate weighted

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[3]   The measurement units for UNEs and Resale are lines in service. For Interconnection, it is minutes in use. For Collocation, it is collocation cages installed in the month.

performance score for the pre-ordering, ordering, provisioning or maintenance domains equals or exceeds 75% of twice the total weights assigned to measures in the domain. [4] In addition, for the Pre-Order domain, the 75% application will apply if all pre-order response time metrics are missed at the -2 level. If the Domain Rule applies, the lower of the overall MOE score or the Domain score will be used to determine whether any bill credits are due. The Rule would be applied as follows: First, determine the total weights for the domain. Second, double the aggregate weights for the Domain. Next, determine whether the aggregate performance score is 75% or greater. For example, the Ordering Domain in UNE has metrics with a total weight of 140, which would be doubled to –280 (-2 x 140). If the Verizon-MA aggregated weighted performance score equaled -220 for the month, the domain percentage would be 78.5% and the Domain Rule would be tripped since this is greater than 75%.

To determine whether credits would be due under the MOE score or Domain score, the following steps would occur. First, determine the difference between the minimum and maximum performance scores for the MOE in which the Domain appears. For example, the minimum score for the UNE MOE is -0.1904 and the maximum score for the UNE MOE is -0.6700, therefore, the difference is -0.4796. This figure would be multiplied by the 78.5%. This equals -0.3764. This number (-0.3764) would be added to the minimum score and would result in a domain clustering score of -0.5668. If the MOE score were -0.488, the performance score for the MOE would be replaced with the domain clustering score of -0.5668 based on the Domain Clustering Rule for the purpose of calculating bill credits due.

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[4]   Under the MOE method each measure will receive a performance score of either 0, -1, or -2. A score of -2 indicates an out of parity condition and is the worst of the three scores. Thus, the worst aggregate performance score Verizon-MA could achieve for a domain would be -2 x the aggregate weights. For example, the worst aggregate score under Ordering Domain for UNEs would be -280 (-2 x 140).